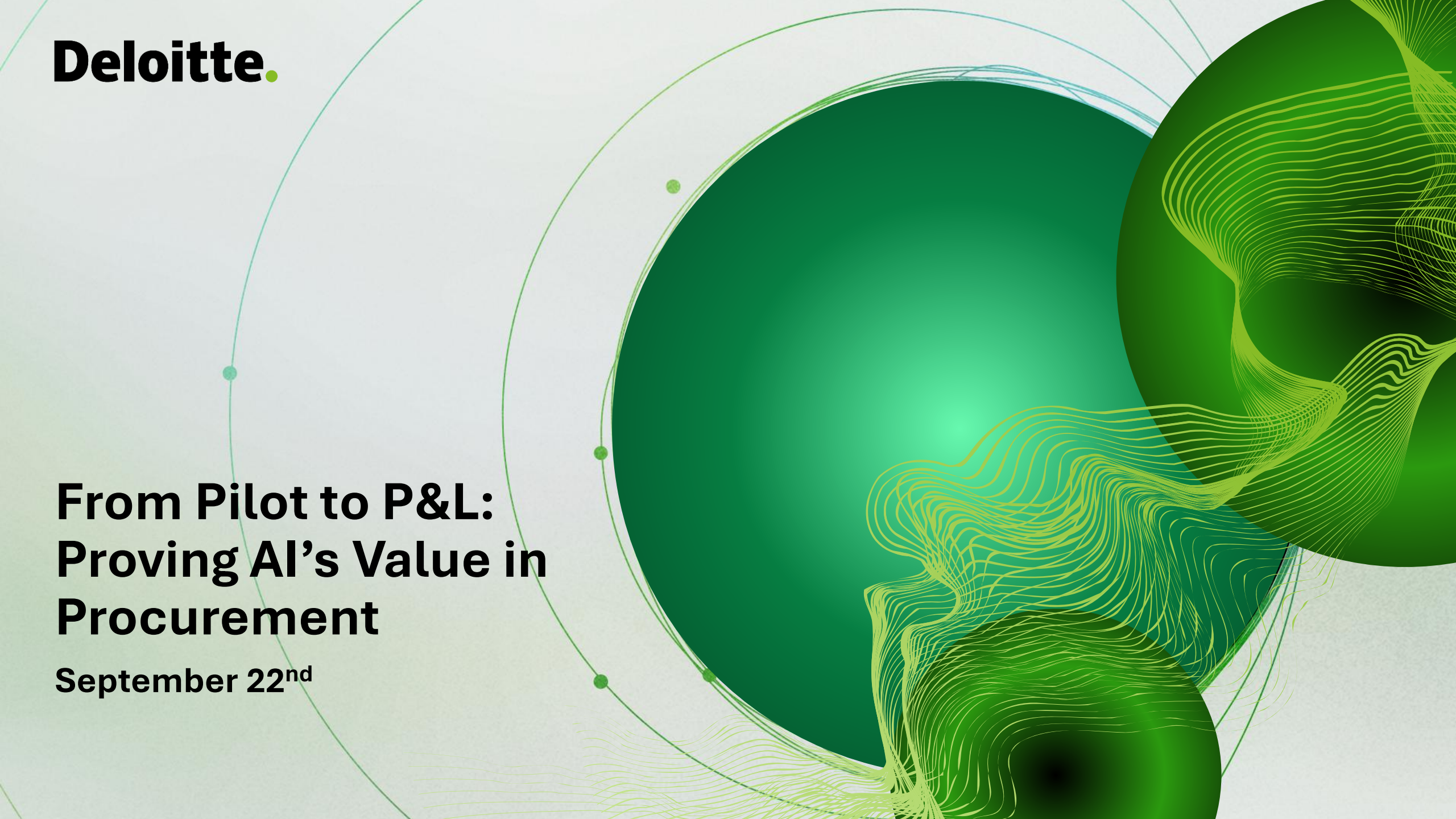


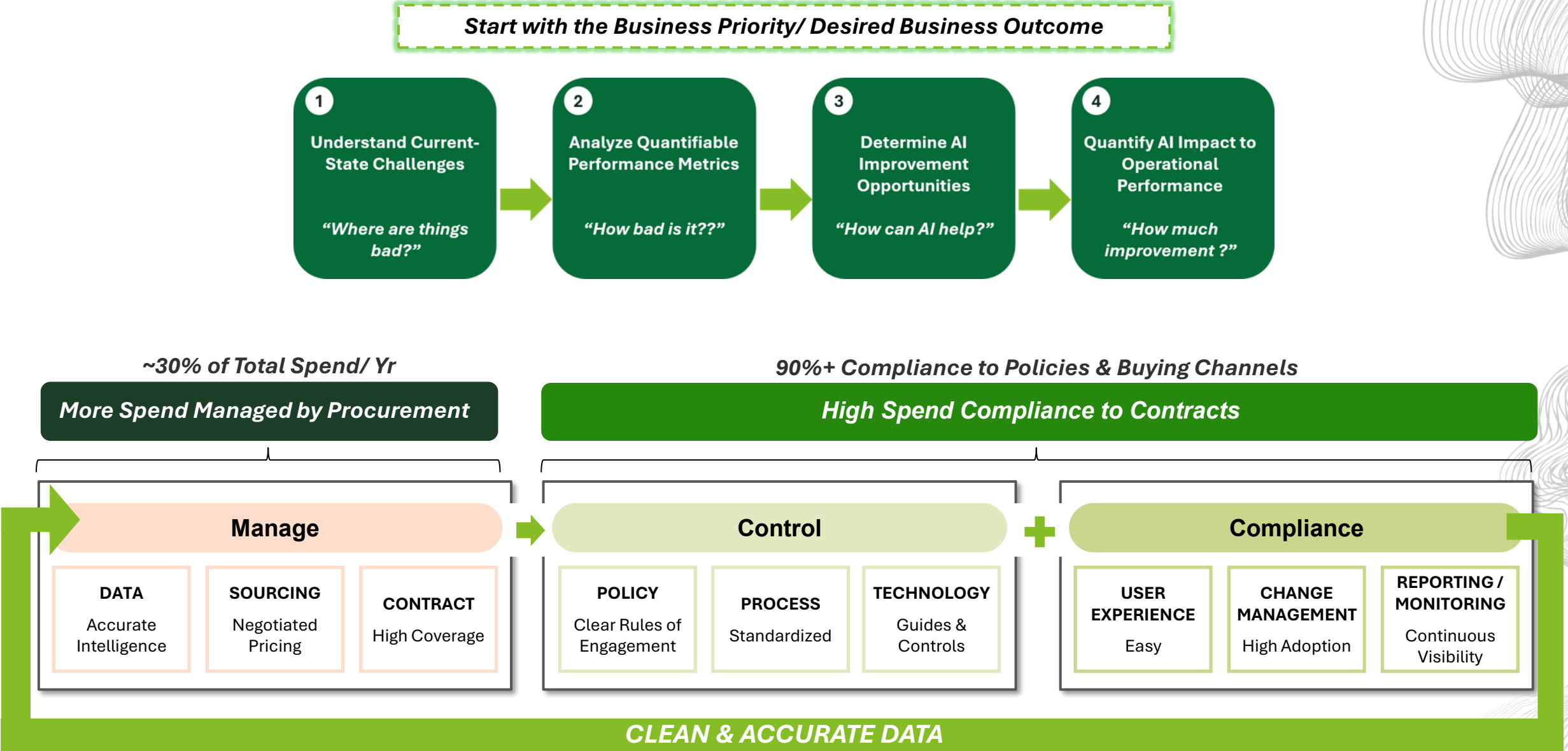


From Pilot to P&L: Proving AI's Value in Procurement

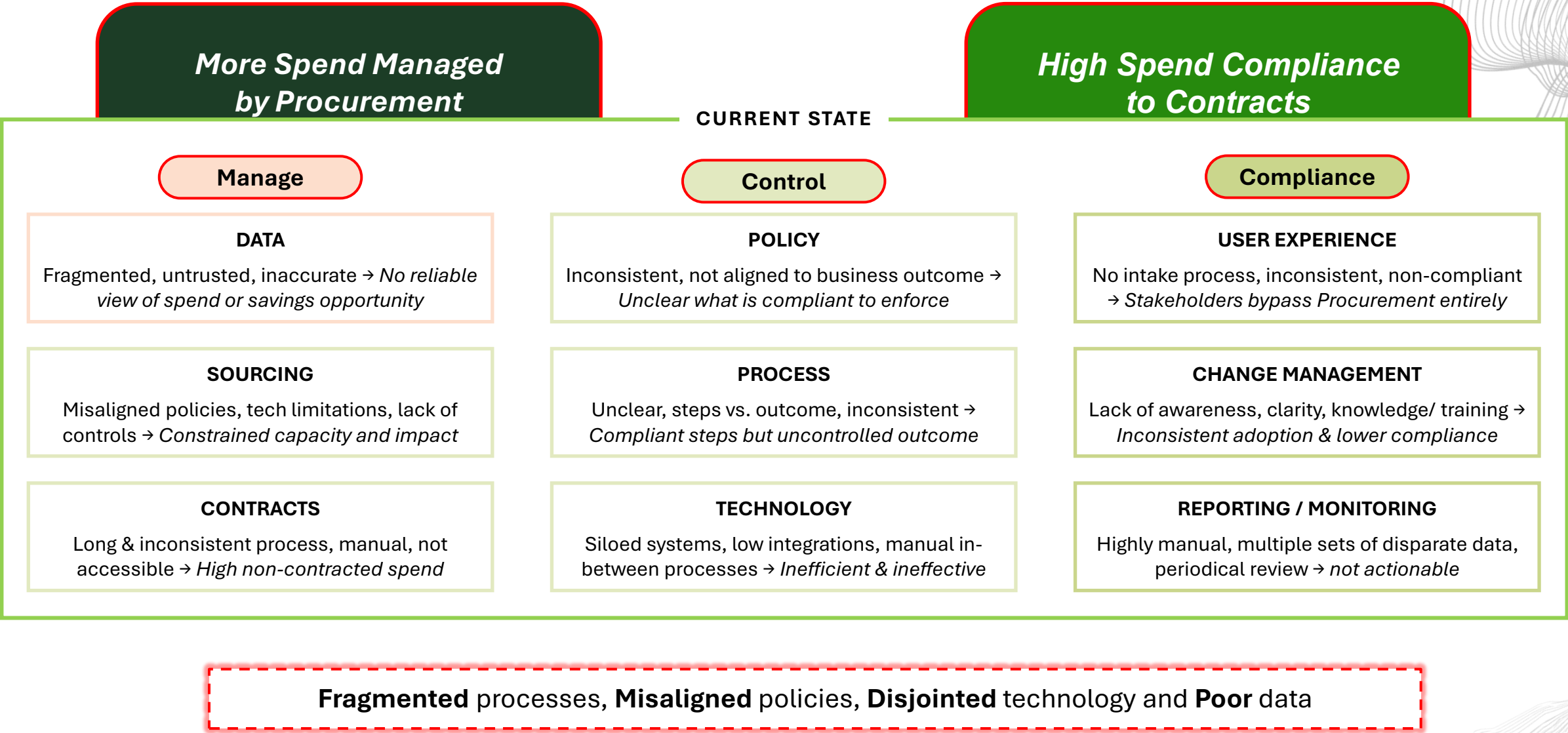
September 22nd



Case Study: Deploy AI to Increase Cost Savings in Indirect Spend



Case Study - Current State



Current State – Quantifying the “How Bad”

~8% *Cost savings when Procurement strategically managed spend* **~12%** *of savings initiatives resulted in >\$1M in savings* **~60%** *of cost savings initiatives are <\$1M in spend* **~10%** *of total spend strategically managed by Procurement annually*

For categories strategically sourced by Procurement, <10% of spend with winning suppliers	~3% of POs met >\$100K PR/O requiring Procurement Engagement (~3K/ Yr)	~34% of spend was with contracted suppliers (~10% of all suppliers)	Of ~34% in contracted spend, ~7% w/ <\$100K/yr suppliers & ~26% of w/ >\$100k/ yr suppliers
~80% of spend in top 10 spend categories are not on contracts	~8% of top 80% of spend suppliers had contracts	~1 - 26% of spend in catalog categories on catalogs (99% of suppliers had no catalog)	~2% of suppliers had over \$1M/ Yr spend
97% of POs have Avg. \$6k/PO	~85% of invoices had PO (~15% AFT PO)	80 Supplier IDs/ Names for a single supplier	30-40% in touchless Invoices

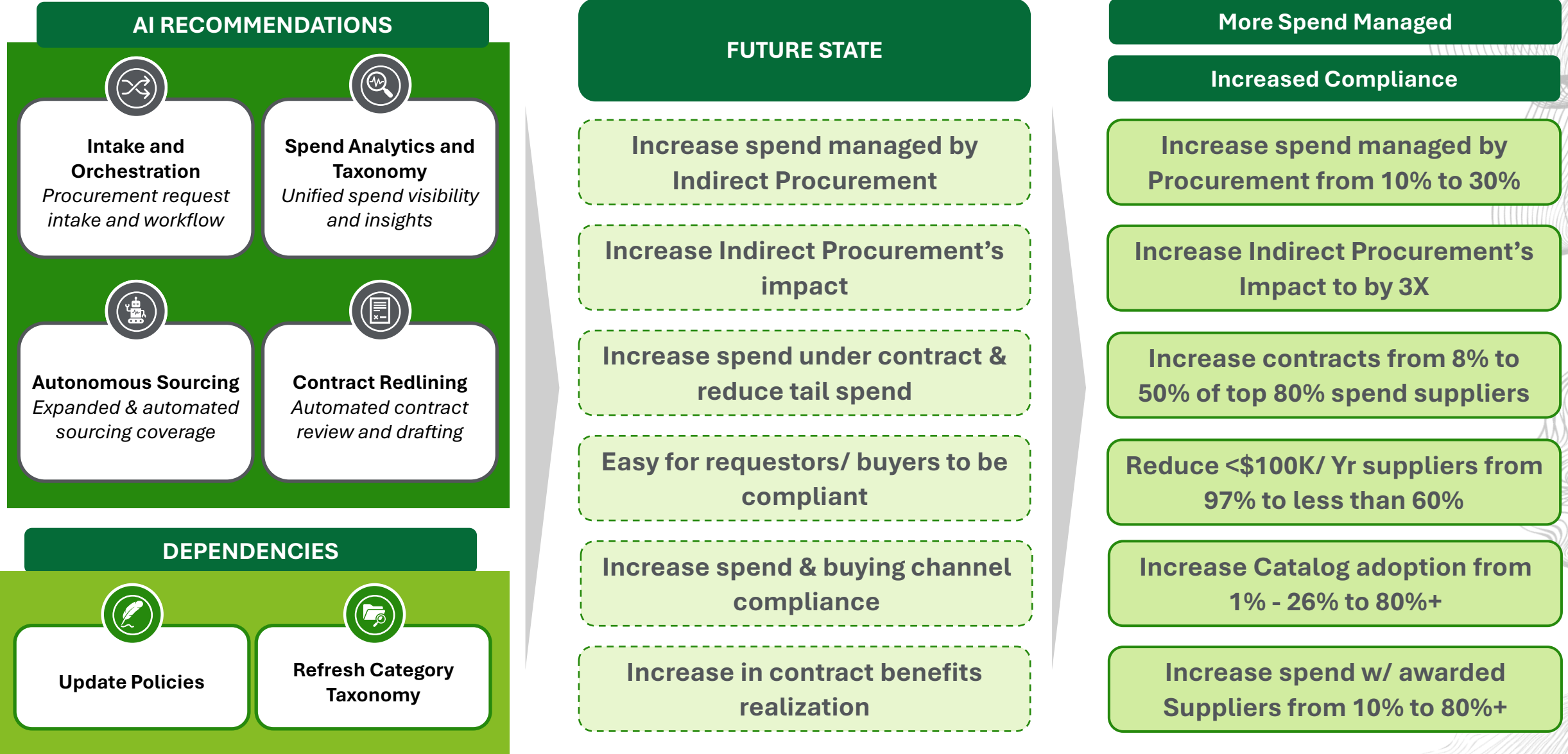
Poor data quality and policies limit ability to manage more spend

Poor policies & lack of controls to effectively govern “buying”

Hard to be compliant, and, to drive “right” compliance to drive value

Indirect Procurement is constrained to deliver 1/3 of the potential value; @ 10% of the identified benefits realization, net impact is less than 5% of potential cost savings opportunity

Tying the operational improvements against the performance metrics to quantify AI benefits



Note: Select recommendations and value calculation represented

Q & A